

Regular Session, 2009

SENATE BILL NO. 256

BY SENATORS MURRAY AND DORSEY

SPECIAL DISTRICTS. Authorizes the French Quarter-Marigny Historic Area Management District to levy taxes and parcel fees. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 25:799(D)(2)(b) and (F), and to enact R.S. 25:799(I), (J), and  
3 (K), relative to the French Quarter-Marigny Historic Area Management District; to  
4 provide relative to powers; to authorize the levying of taxes and parcel fees; to  
5 provide for a budget; and to provide for related matters.

6 Notice of intention to introduce this Act has been published.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 25:799(D)(2)(b) and (F) are hereby amended and reenacted and R.S.  
9 25:799(I), (J), and (K) are hereby enacted to read as follows:

10 §799. Creation of the French Quarter-Marigny Historic Area Management District

11 \* \* \*

12 D.(1) \* \* \*

13 (2) Notwithstanding any power or authority granted elsewhere in this Part,  
14 the board shall have no power or authority:

15 \* \* \*

16 (b) Related to ~~levying taxes~~, creating bond indebtedness, exercising eminent  
17 domain, zoning, regulating historic preservation or land use, permitting, or

1 prosecuting or citing violations. Notwithstanding the foregoing, the board shall  
2 have the power and authority to cite violations if the governing authority of the  
3 city of New Orleans delegates such power and authority to the board.

4 \* \* \*

5 F. Funding. The board may apply for, contract for, receive, and expend for  
6 its purposes any appropriation or grant from the state, its political subdivisions, the  
7 federal government, or any other public or private source. However, the board  
8 shall use the proceeds of a tax or parcel fee authorized by Subsection I of this  
9 Section solely for the purposes described in that Subsection.

10 \* \* \*

11 I. Taxing authority. (1) The governing authority of the city of New  
12 Orleans is hereby authorized to levy and collect annually a special ad valorem  
13 tax or parcel fee described in this Subsection on each parcel located in the  
14 district subject to and in accordance with the provisions of this Subsection.

15 (2) The amount of the annual tax or parcel fee shall be as follows, based  
16 on the classification of the parcel:

17 (a) For each Tier One Parcel, a flat parcel fee of one hundred eighty-five  
18 dollars per year.

19 (b) For each Tier Two Parcel, a flat parcel fee of three hundred ninety-  
20 five dollars per year.

21 (c) For each Tier Three Parcel, an ad valorem tax in the amount of two  
22 and one-half mills per year on the assessed value of the parcel for 2009.

23 (3) The parcels that shall be classified as Tier Three Parcels and the  
24 amount of the annual tax assessed against a Tier Three Parcel are fixed based  
25 on the assessed value of that parcel in 2009 and shall not increase or decrease  
26 with an increase or decrease in the assessed value of the parcel.

27 (4) The amount of the tax or parcel fee for each parcel classification  
28 shall be fixed and shall not change prior to the expiration of the term of this tax  
29 or parcel fee.

1                   **(5) The following defined terms are used in this Subsection:**

2                   **(a) The term "parcel" means a tract of land in the district, including all**  
3                   **buildings and improvements thereon, excluding any property that is exempt in**  
4                   **full from ad valorem taxation.**

5                   **(b) The term "Tier One Parcel" means a parcel that is used solely for**  
6                   **residential purposes as either a single family dwelling or a multiple family**  
7                   **dwelling with no more than four residential units. If any unit or portion of the**  
8                   **parcel is used for commercial or any other non-residential purpose, the entire**  
9                   **parcel shall not be a Tier One Parcel and instead shall be classified as either a**  
10                  **Tier Two Parcel or a Tier Three Parcel. Except for a timeshare unit, which is**  
11                  **classified as provided in this Subsection, a parcel that is used in whole or in part**  
12                  **for short term rentals of less than sixty days at a time shall not be a Tier One**  
13                  **Parcel and instead shall be classified as either a Tier Two Parcel or a Tier Three**  
14                  **Parcel.**

15                  **(c) The term "Tier Two Parcel" means a parcel that does not qualify as**  
16                  **a Tier One Parcel and for which the amount of ad valorem taxes payable with**  
17                  **respect to that parcel for 2009 was less than \$50,000.**

18                  **(d) The term "Tier Three Parcel" means a parcel that does not qualify**  
19                  **as a Tier One Parcel and for which the amount of ad valorem taxes payable for**  
20                  **2009 was equal to or exceeded \$50,000.**

21                  **(6) Each condominium parcel as defined in R.S. 9:1121.103 shall be a**  
22                  **separate parcel for purposes of this Subsection, and, pursuant to R.S.**  
23                  **9:1121.105, the tax or parcel fee authorized by this Subsection shall be assessed**  
24                  **against each individual condominium parcel. However, condominium property**  
25                  **consisting exclusively of parking spaces shall be deemed to be a single parcel**  
26                  **and the tax or parcel fee authorized by this Subsection shall be assessed against**  
27                  **the entire condominium property as a single entity and shall be payable by the**  
28                  **condominium association.**

29                  **(7) Each timeshare unit as defined in R.S. 9:1131.2 (and not each use**

1 period) shall be classified as a separate parcel for purposes of this Subsection,  
2 and, pursuant to R.S. 9:1131.9, the tax or parcel fee authorized by this  
3 Subsection shall be assessed against the timeshare property as a single entity  
4 unless the timeshare property is subject to the Louisiana Condominium Act,  
5 R.S. 9:1121.101 et seq., in which case the tax or parcel fee shall be assessed as  
6 provided in R.S. 9:1121.105.

7 (8) No tax or parcel fee shall be imposed under this Subsection upon any  
8 parcel whose owner qualifies under the Louisiana Special Assessment Level  
9 pursuant to Article VII, Section 18(G)(1) of the Constitution of Louisiana.

10 (9) The proceeds of the tax and parcel fee shall be used solely and  
11 exclusively for the following purposes:

12 (a) Public safety, security, and crime prevention.

13 (b) Hiring an executive director.

14 (c) Reasonable operating and administrative expenses of the district.

15 (10) (a) The tax or parcel fee shall be levied and collected only after the  
16 question of its imposition has been submitted to and approved by a majority of  
17 registered voters of the district voting on the question at an election to be  
18 conducted in accordance with the Louisiana Election Code on a date selected by  
19 the board.

20 (b) The authority to levy the tax or parcel fee shall expire after the levy  
21 of the tax or parcel fee for 2014.

22 (c) The tax or parcel fee authorized by this Subsection may be renewed  
23 for an additional term not to exceed five years only after both of the following  
24 have occurred:

25 (i) The renewal is authorized by additional legislation.

26 (ii) The question of renewal is submitted to and approved by a majority  
27 of registered voters of the district voting on the question at an election to be  
28 conducted in accordance with the Louisiana Election Code on a date selected by  
29 the board.

1           (11) The tax or parcel fee shall be collected in the same manner and at  
2           the same time as ad valorem taxes on property subject to taxation by the city  
3           are levied and collected.

4           (12) Any tax or parcel fee which is unpaid shall be added to the tax rolls  
5           of the city and shall be enforced with the same authority and subject to the same  
6           penalties and procedures as unpaid ad valorem taxes.

7           (13) The proceeds of the tax or parcel fee shall be paid over to the Board  
8           of Liquidation, City Debt, day-by-day as the same are collected and received by  
9           the appropriate officials of the city of New Orleans and maintained in a  
10          separate account. The proceeds shall be paid out by the Board of Liquidation,  
11          City Debt, solely for the purposes provided in this Subsection upon warrants or  
12          drafts on the Board of Liquidation, City Debt, by the appropriate officials of the  
13          city and the treasurer of the district.

14          (14) It is the purpose and intent of this Subsection that any services  
15          provided by the district shall be for the enhancement of public safety, security,  
16          and crime prevention in the district and shall be supplemental to, and not in lieu  
17          of, personnel, police, and other services provided in the district by the city of  
18          New Orleans and its agencies and departments.

19          (15) If the district ceases to exist, the authority to levy the tax or parcel  
20          fee provided by this Subsection shall immediately cease and all remaining  
21          unspent funds of the district, if any, shall be transmitted by the board to the city  
22          of New Orleans and such funds shall be maintained in a separate account by the  
23          city and shall be used only for enhancement of public safety, security, and crime  
24          prevention in the district.

25          J. Budget.(1) The board of commissioners shall adopt an annual budget  
26          in accordance with the Local Government Budget Act, R.S. 39:1301.

27          (2) The district shall be subject to audit by the legislative auditor  
28          pursuant to R.S. 24:513.

29          (3) The board shall endeavor to deploy its resources funded by the tax

or parcel fee authorized by Subsection I of this Section between the areas of the district above and below the center line of Esplanade Avenue in a manner that is generally proportionate with the tax collections received by the board from these two portions of the district.

**K. Miscellaneous. (1) To the extent not prohibited by applicable law, the district may:**

**(a) Defend and indemnify a board member against claims and liabilities arising out of the performance of his or her duties for the district as may be provided in the bylaws adopted by the district.**

**(b) Procure insurance against the claims and liabilities or pay for them as an operating expense of the district out of the funds of the district obtained from any source.**

**(2) A person who serves as a member of the board of the district shall not be individually liable for any act or omission as provided in R.S. 9:2792.4 or any other provision of law.**

Section 2. This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

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The original instrument was prepared by James Benton. The following digest, which does not constitute a part of the legislative instrument, was prepared by Cathy Wells.

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#### DIGEST

Murray (SB 256)

Present law relative to the French Quarter-Marigny Historic Area Management District, provides that board of commissioners of the district will not have any powers related to levying taxes, creating bond indebtedness, exercising eminent domain, zoning, regulating historic preservation or land use, permitting, or prosecuting or citing violations.

Proposed law authorizes the board to cite violations if the governing authority of the city of New Orleans delegates the authority to the board.

Proposed law retains present law but removes the restriction which prevents the board from having the power to levy taxes.

Proposed law provides that the governing authority of the city of New Orleans is authorized to levy annually a special ad valorem tax or parcel fee on each parcel located in the district subject to and in accordance with the provisions of proposed law.

Proposed law provides that the amount of the annual tax or parcel fee will be as follows, based on the classification of the parcel:

- (a) For each Tier One Parcel, a flat parcel fee of \$185 per year.
- (b) For each Tier Two Parcel, a flat parcel fee of \$395 per year.
- (c) For each Tier Three Parcel, an ad valorem tax in the amount of two and one-half mills per year on the assessed value of the parcel for 2009.

Proposed law provides that the tax on parcels that are classified as Tier Three Parcels are fixed based on the assessed value of that parcel in 2009 and will not increase or decrease with an increase or decrease in the assessed value of the parcel.

Proposed law provides that the amount of the tax or parcel fee for each parcel classification will be fixed and will not change prior to the expiration of the term of the tax or parcel fee.

Proposed law provides for the definition of the following terms:

- (a) The term "parcel" means a tract of land in the district, including all buildings and improvements thereon, excluding any property that is exempt in full from ad valorem taxation.
- (b) The term "Tier One Parcel" means a parcel that is used solely for residential purposes as either a single family dwelling or a multiple family dwelling with no more than four residential units. If any unit or portion of the parcel is used for commercial or any other non-residential purpose, the entire parcel will not be a Tier One Parcel and instead will be classified as either a Tier Two Parcel or a Tier Three Parcel. Except for a time share unit, a parcel that is used in whole or in part for short term rentals of less than 60 days at a time will not be a Tier One Parcel and instead will be classified as either a Tier Two Parcel or a Tier Three Parcel.
- (c) The term "Tier Two Parcel" means a parcel that does not qualify as a Tier One parcel and for which the amount of ad valorem taxes payable with respect to that parcel for 2009 was less than \$50,000.
- (d) The term "Tier Three Parcel" means a parcel that does not qualify as a Tier One Parcel and for which the amount of ad valorem taxes payable for 2009 was equal to or exceeded \$50,000.

Proposed law provides that each condominium parcel will be a separate parcel for purposes of proposed law, and the tax or parcel fee authorized by proposed law will be assessed against each individual condominium parcel.

Proposed law provides that each time share unit shall be classified as a separate parcel.

Proposed law provides that the proceeds of the tax and parcel fee for the following purposes:

- (a) Public safety, security and crime prevention.
- (b) Hiring an executive director.
- (c) Reasonable operating and administrative expenses of the district.

Proposed law provides that the tax or parcel fee will be levied and collected only after the question of its imposition has been approved by a majority of registered voters of the district voting on the question at an election on a date selected by the board. Provides that the authority to levy the tax or parcel fee will expire after the levy of the tax or parcel fee for 2014.

Proposed law provides that any services provided by the district will be for the enhancement of public safety, security, and crime prevention in the district and will be supplemental to, and not in lieu of, personnel, police, and other services provided in the district by the city of New Orleans.

Present law prohibits the board from prosecuting or citing violations.

Proposed law retains present law, but authorizes the board to cite violations if the governing of city of New Orleans delegates such authority to the board.

Proposed law provides that the board of commissioners will adopt an annual budget in accordance with the Local Government Budget Act.

Proposed law provides that the district may:

- (a) Defend and indemnify a board member against claims and liabilities arising out of the performance of his or her duties for the district as may be provided in the district's bylaws.
- (b) Procure insurance against the claims and liabilities or may pay for them as an operating expense of the district out of the funds of the district obtained from any source.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 25:799(D)(2)(b) and (F); adds R.S. 25:799(I), (J), and (K))

#### Summary of Amendments Adopted by Senate

##### Committee Amendments Proposed by Senate Committee on Local and Municipal Affairs to the original bill.

1. Removes requirement that the board prepare a plan.
2. Changes structure and amount of parcel fees and ad valorem taxes.
3. Adds requirement that board endeavor to deploy resources consistent with collections.
4. Adds provision for insurance and indemnification of board members.

##### Senate Floor Amendments to engrossed bill.

1. Authorizes the board to cite violations if the governing authority of city of New Orleans delegates such power and authority to the board.
2. Adds emergency effective date clause.